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LB 1223

SENATOR CUDABACK: Thank you, Senator Wehrbein. Senator Wickersham, as Chairperson of the Revenue Committee, you're recognized to open on committee amendments. (AM2760, Legislative Journal page 1025.)

SENATOR WICKERSHAM: Thank you, Mr. President. The committee amendments resulted in a white copy of the bill, but I'll go through them with you. The changes are a mixture. One of the first changes that I would call your attention to, if you look at the green copy of the bill, Senator Wehrbein had introduced it with language that would have provided for indemnification of the board members under various circumstances. The committee recommends that that be stricken. They would be protected by the general political Tort Claims Act. We didn't think it was necessary to have any additional indemnification for them. I'm only going to speculate a little bit, Senator Wehrbein, but my guess is, because you had a banker on here, that that banker is used to serving on a board someplace and that he is used to having an indemnification agreement. In the private world, that is more necessary than it is in the public world. We are asking that a new section be inserted into the bill that would allow a pass-through of the credit if you have the credit earned by an estate or trust. Those are generally pass-through entities and the credit would pass-through to the beneficiaries. That's the proper designation in the case of both an estate or a trust, so it's an amplification of a kind of pass-through principles. There is an expansion of the definition of owner of agricultural assets so that you could have an owner of agricultural assets be a partnership or a trust, so long as a partner or trustee has...undertakes the day-to-day operation of the farm. The definition would also include corporations, limited liability companies and other syndicates that are qualified to own agricultural assets under Initiative 300, because it didn't seem to be the intent of Senator Wehrbein that the assets that are leased to the beginning farmer would have to be owned by an individual. Now, if the assets don't have to be owned by an individual, then you have to put into statute the other kinds of qualifying owners that you have, and that's what we've attempted to do. Senator Wehrbein, when he introduced the bill, suggested that we strike a limitation that is currently in the law. The limitation indicates that the beginning farmer, who is going to lease from the producer and have a qualified transaction, in